



PRESS RELEASE

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Mountain Commerce Bancorp, Inc. Announces Strong Earnings for First Quarter 2017

KNOXVILLE, TN — April 27, 2017- Mountain Commerce Bancorp, Inc. (OTCQX: MCBI), the Knoxville, Tennessee-based bank holding company and parent of Mountain Commerce Bank (MCB), reported consolidated net income of \$1.32 million for the first quarter of 2017, a 53 percent increase compared to \$863,000 for the first quarter of 2016. Earnings per fully diluted share for the quarter ended March 31, 2017 totaled \$0.21 versus \$0.20 for the same period in 2016.

Assets as of March 31, 2017 were \$651.9 million, an increase of \$135.1 million or 26 percent from March 31, 2016. Over the same period, gross loans increased 26 percent to \$546.0 million, and deposits grew 24 percent to \$566.9 million. At the close of the most recent quarter, MCB's Tier I leverage ratio was 10.49 percent.

As of March 31, 2017, tangible book value per share was \$10.39 compared to \$9.02 at the same time a year ago, which is an increase of \$1.37 or 15.2 percent.

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About Mountain Commerce Bancorp, Inc. and Mountain Commerce Bank

Mountain Commerce Bancorp, Inc. (OTCQX: MCBI) is a bank holding company and the parent of Mountain Commerce Bank (MCB). Both are headquartered in Knoxville, Tennessee where MCB serves East Tennessee with five locations across Knox, Washington, and Unicoi counties.

MCB operates and competes with a team dedicated to Responsive Relationship Banking, and offers the latest in banking technology that clients have come to expect. Its mission is to grow and prosper, building long-term customer connections based on top-quality service, high ethical standards, and core-funded, safe and sound assets.

To that end, MCB bases its operations and decisions on the fundamental principles defined by its eight core values: Integrity, Excellence, Leadership, Communication, Reality, Accountability, Teamwork, and Consideration.

MCB believes that these values provide the appropriate framework to structure an organization that will meet the service needs of its customers, the performance requirements of its shareholders, and the regulatory standards of its authorities.

At the end of March 2017, MCB had \$651.8 million in total assets and \$572.4 million in total deposits. MCB currently employs approximately 75 individuals at five branches and one operations center. For more information, visit us at www.mcb.com or check your account any time at 1-866-MCB-1910. MCB is an equal opportunity employer.

Note to editor: For more information on Mountain Commerce Bancorp, Inc.'s 2017 performance, please see the attached consolidated balance sheets and consolidated statements of operation.

Mountain Commerce Bancorp, Inc. and Subsidiary			
Consolidated Balance Sheets			
(Unaudited)			
	March	December	March
	2017	2016	2016
ASSETS			
Cash and due from banks	\$ 5,810,144	\$ 4,651,766	\$ 5,197,677
Interest-earning deposits	11,300,179	23,712,480	10,178,837
Cash and cash equivalents	17,110,323	28,364,246	15,376,513
Securities available for sale	57,373,295	43,857,907	37,484,145
Loans held for sale	359,200	78,599	400
Loans receivable	545,980,410	515,432,541	432,707,280
Allowance for loan losses	(5,508,779)	(5,281,059)	(5,386,817)
Net loans	540,471,632	510,151,482	427,320,463
Premises and equipment, net	13,338,789	13,453,591	12,507,093
Accrued interest receivable	1,842,769	1,718,171	1,459,931
Real estate owned	8,781,161	8,781,161	10,856,460
Bank owned life insurance	7,032,386	6,991,438	6,860,897
Restricted stock	1,128,900	1,128,900	1,128,900
Prepaid expenses and other assets	1,019,408	1,190,555	1,169,246
Deferred tax asset	3,427,099	3,425,367	2,639,428
Total assets	<u>\$ 651,884,960</u>	<u>\$ 619,141,417</u>	<u>\$ 516,803,477</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities:			
Deposits:			
Noninterest-bearing	\$ 72,373,011	\$ 67,156,351	\$ 62,790,608
Interest-bearing	494,531,444	467,170,920	393,682,279
Total deposits	566,904,455	534,327,271	456,472,887
Federal Home Loan Bank advances	9,585,400	9,555,942	9,467,658
Senior note payable	9,923,146	9,913,921	9,886,247
Accrued interest payable	43,621	47,159	55,276
Mandatorily redeemable preferred stock	-	2,969,000	2,969,000
Other liabilities	3,478,269	4,136,654	2,546,637
Total liabilities	589,934,892	560,949,947	481,397,706
Stockholders' equity:			
Preferred stock; \$0.01 par, 1,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2017 and 2,969 shares issued and outstanding at December 31, 2016 and March 31, 2016	-	-	-
Common stock; \$0.01 par, 10,000,000 shares authorized; 5,963,787 and 5,758,055 and 3,921,395 issued and outstanding at March 31, 2017 and December 31, 2016 and March 31, 2016, respectively	59,529	57,352	39,214
Additional paid-in capital	62,739,999	60,224,408	40,166,241
Accumulated deficit	(712,242)	(1,955,864)	(5,244,982)
Accumulated other comprehensive income	(137,218)	(134,426)	445,298
Total stockholders' equity	61,950,069	58,191,470	35,405,771
Total liabilities and stockholders' equity	<u>\$ 651,884,960</u>	<u>\$ 619,141,417</u>	<u>\$ 516,803,477</u>

Mountain Commerce Bancorp, Inc. and Subsidiary			
Consolidated Statements of Operations			
(Unaudited)			
	Three Months Ended		
	March		March
	2017		2016
Interest income:			
Loans	\$ 6,219,508		\$ 5,031,311
Investment securities	310,181		205,258
Interest-earning deposits	30,596		13,705
Total interest income	6,560,285		5,250,274
Interest expense:			
Interest on deposits:			
Savings	761,309		477,343
Interest bearing transaction accounts	58,819		61,830
Time certificates of deposit of \$250,000 or more	198,391		216,558
Other time deposits	66,759		64,594
Other borrowings	237,087		228,520
Total interest expense	1,322,364		1,048,845
Net interest income	5,237,921		4,201,429
Provision for loan losses	231,000		157,500
Net interest income after provision for loan losses	5,006,921		4,043,929
Noninterest income:			
Service charges and other fees on deposit accounts	256,436		272,653
Gain on sale of investment securities	-		7,806
Gain on sale of loans	12,480		66,452
Other operating income	73,467		81,618
Total noninterest income	342,383		428,530
Noninterest expenses:			
Compensation and employee benefits	\$ 1,807,363		\$ 1,657,124
Occupancy expenses	347,825		338,167
Furniture and equipment costs	88,098		78,663
Data processing fees	288,304		265,527
FDIC Insurance	100,006		122,246
Office expense	100,339		105,826
Advertising	37,198		48,666
Professional fees	194,086		205,979
Real estate owned	56,250		78,750
Other operating costs	205,355		180,507
Total noninterest expenses	3,224,823		3,081,455
Income before income taxes	2,124,480		1,391,003
Income tax expense	804,403		527,567
Net income	\$ 1,320,077		\$ 863,436
Less Preferred dividends to Retained Earnings	\$ (74,225)		\$ (74,225)
Net income available to common shareholders	\$ 1,245,852		\$ 789,211
Earnings per common share:			
Basic	\$ 0.216		\$ 0.201
Diluted	\$ 0.211		\$ 0.197